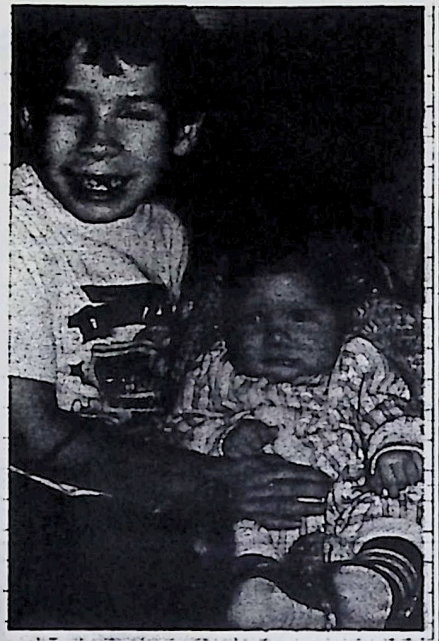


Big brother Eddy and new Whole Earther Michaela Parry.

your magazine because it was on a recommended list?" Eisen asked, adding that the Reader's Guide to Periodical Literature *requests, on its inside front cover, that readers write them suggesting addition of periodicals. Those of you who are moved to do so can send your requests to The H. W. Wilson Co., 950 University Avenue, Bronx, NY 10452. Thank you, L. Eisen! Any other bright ideas out there?*

Susan Rosberg, our indispensable and lovable person-about-the-office, dropped by Biosphere II (WER #67) in southern Arizona during her recent vacation. "My experience was more sensory than scientific," she reports. "I listened to the stowaway birds that haven't been evicted yet, felt and heard the wave machine, felt the cool mist on my cheeks, listened to the machinery hum, smelled the rich vegetation."

Toward the fun, indeed! Sarah Satterlee, WER *editorial assistant, was involved in Wavy Gravy's recent political campaign (p. 38). Says she: "Playing on Wavy's campaign was a constant tickle. Even potentially tedious moments — folding mailers, sticking on labels, and licking stamps — were lightened by smiling dogs, tie-dyed babies, and flocks of flamingos, while the fun times were BIG fun — painting faces, rocking and rolling, careening around Berkeley on Further. Best of all was the sense of possibility that he might actually get elected and we might actually get Berkeley playing, too! Wavy's said that if backers want him to run for the Senate, he's available. Sign me up — I'm ready to dust off my nose already."*

—Howard Rheingold

Minding Our Ps & Ls

WE HAVE BEEN hanging on by the skin of our financial teeth for years. The financial statements we routinely print have shown us losing money quarter after quarter. Many of you have encouraged us to get our financial act together, noting that the poverty of this organization doesn't prove that we're doing a good job, or that we're honest. Taking your concerns to heart, we are finding that getting our finances in order isn't going to happen overnight.

Perhaps the main reason we always lose money is that we don't accept "display" advertising in Whole Earth Review. *In the magazine business, that's typically a recipe for disaster, since ads usually account for at least half of a magazine's revenues. Not taking ads lets us serve you honestly — i.e., without pressure from advertisers — but leaves us little room to maneuver in working to become financially sound. In the past, we have used book projects to generate cash flow and cover some fixed overhead (e.g., the rent), and occasionally to make some profit. But we are changing our approach to doing books, requiring an investment of time now in return for a future stream of royalties (something we don't presently enjoy).*

In order to address our financial situation, we are taking action in two areas. The first is in what we charge for the magazine; the second is in how we use financial information. Our main objective is to preserve Whole Earth Review *as a unique magazine, where views can be found that aren't published elsewhere. We do no one any service if we go belly-up by not paying attention to the basics of our financial health.*

We are going to raise the subscription renewal price of the magazine by an as-yet-undetermined amount — the first such increase since 1987. We probably have always undercharged for Whole Earth Review, *in part because we make the unfair comparison of our product to those half-paid-for (and half-filled) by ads. Our labor-intensive 144 pages comprise a heck of a lot of editorial material, far more than you get in an average magazine. In addition, in the past four years our major costs — labor, printing and postage — have gone up (postage alone is increasing by about 25 percent in February, after an increase only three years ago). Note that, in order to encourage a larger audience to discover what we offer, the price for new subscribers will remain as is — $20, a $4 savings over the newsstand price (if you're a newsstand buyer, please consider subscribing now).*

We are also beginning to use financial information to help us make decisions. This organization has never prepared an operating budget and plan! We are working on one for 1991, and it is forcing us to think ahead and decide what we want to accomplish, and then to decide how to go about doing it. Pretty basic, but if you haven't done it before, it feels like waking up the day after using muscles you didn't know you had. We are also redoing our chart of accounts, looking for new accounting software, and starting to generate cost-accounting information that is critical to decision-making.

And we are redesigning the financial information we put into this magazine. In the past, substantial year-end adjustments, usually made ten months after we printed an annual statement, were completely omitted, making both quarterly and annual statements misleading. We are working toward making monthly adjustments, so that we're better able to gauge our performance. In the next issue, you will see a full picture of what happened in 1990, along with our comments.

In the meantime, we are developing a quarterly report of meaningful data about how Point Foundation and Whole Earth Review *are doing. Here is what we know now about the fourth quarter of 1990:*

- *Our current cash position is good, due largely to your response to our "renew-before-the-price-increases" effort. Thanks! In effect, you've lent us money which we must invest wisely in strengthening our operations.*
- *Our holiday gift campaign did very well, yielding 2,414 gift subscriptions; we also sold 1,440 copies of the* Whole Earth Ecolog.
- *The number of subscribers, as of the "Access to Japan" issue (Winter 1990), was 22,653. Winter 1989's number was 21,181.*
- *The Biosphere-cover issue (Summer 1990) sold about 40 percent more than the normal number through our national distributor.*
- *Two of you signed on as Maniacal Subscribers #54 and #55. Thank you, and welcome for life, Joshua Notowitz and David Kittrell!*
- *We are projecting about break-even for Point Foundation for 1990. Income and expenses are each roughly $900,000.*

The upcoming year looks tougher, but we have a growing confidence that these changes will allow us to survive and become financially healthy. As always, your support, dear reader, is what makes the whole thing go, and for that we are very grateful.

Hoping for peace,
Kelly Teevan (January 14, 1991)

Gossip

GATE FIVE ROAD is the scene of more than one activity. We publish this magazine four times a year. Our colleagues at the WELL keep the computerized cohort of our community in constant communication. The Whole Earth Institute produces culture-warping events such as Cyberthon at unpredictable intervals. Once or twice a year, we produce a book or catalog. All of these activities have a few key characteristics in common — access to tools, community and conviviality, resistance to mass-market- and mass-media-think. Lately, we've been consciously coordinating the activities of the various organs of the Whole Earth body politic. We are working on ways to link the WELL and WER communities more effectively. We are working on plans to produce culture-warps more frequently (if not more predictably). And we're making a concerted effort to make our book production efforts more organized, more ambitious, more focused.

First item on the book-production agenda is a how-to book for serious earth-healers. While we applaud the proliferation of books that spread the word about the many things all of us can do to help restore some kind of balance to the environment, we are also interested in putting tools in the hands of anybody who wants to take action to repair the environment. Last spring's special issue on environmental restoration, we are happy to announce, is finding new life as a book, due next fall from Ten Speed Press. Editor Richard Nilsen is updating relevant material for Helping Nature Heal, a book designed to attract players of all ages to the diverse fields of environmental repair work. It's a challenge to involve people in processes that happen more slowly than the pace of modern civilization, but the work is too important, and too much fun, to be left to the experts.

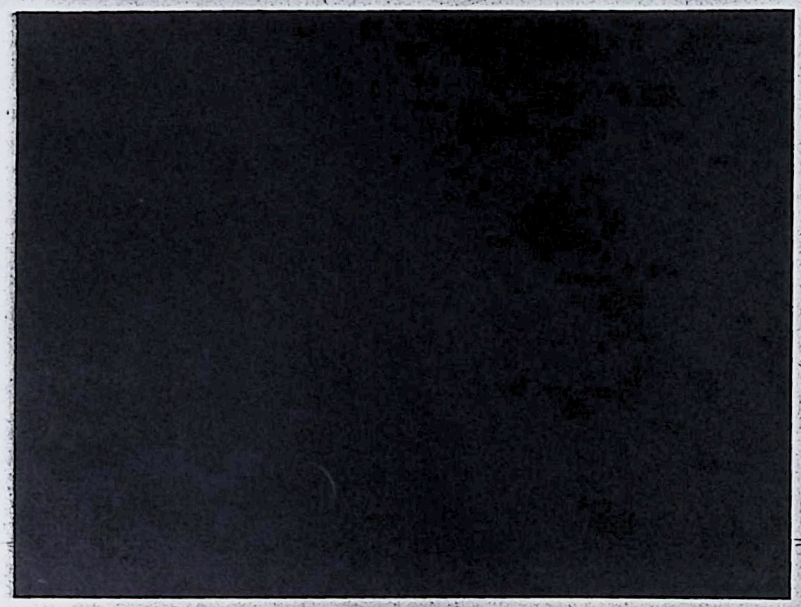
That's not the end of our book-publishing plans. We spent an entire day during the first week of the New Year brainstorming the future of our book-publishing program. The Point staff (plus Board member Christina Desser and former editor Jeanne Carstensen) met at our bookkeeper Christine Goodson's house in Sausalito. Our goal in this was not to decide on specific titles, but rather to harmonize our collective sense of the kind of books that are needed and to zero in on the kind we'd like to do here at Whole Earth. The meeting was animated and productive. We came up with over thirty specific book ideas, and we are now shaping a few of those into more highly developed proposals. Rather than focusing all our attention on one book at a time, we want to establish an ongoing program for publishing, projecting actual titles, finances, and outside-publisher relations well into the future.

Christina Desser, our new Board member, was the executive director of Earth Day 1990 — the largest global event anybody ever organized. She thinks big, she cares about the kinds of things we care about, and she is accustomed to getting things accomplished. Welcome to the family! We have bid goodbye to longtime Board member and frequent WER contributor Paul Hawken, who retired from his second term on our Board. Thank you, Paul.

We're definitely gearing up for the rest of the 1990s. We're changing and growing and gathering momentum. Part of the changes involved an identity reset on the part of Howard Rheingold, WER's new editor (i.e. me). After twenty years of freelance writing, alone in my office, the transition to the WER office and being part of a team required some kind of personal change. So I shaved my head. My daughter thinks I'm a little weird.

Speaking of daughters, the WELL's chief bookkeeper, Patricia Henderson, gave birth to her daughter Michaela Parry on October 19, 1990. We see Michaela around the office regularly. Congratulations, Patricia, Michael Parry (the proud papa), and Eddy (the proud brother).

We received a suggestion from reader L. Eisen that merits your attention. "Wouldn't it be better if most libraries subscribed to



(Above) Mamie Rheingold reacts to her dad's new hairdo. (Note hole in head — one of the requirements for WER employment.)

(Right) Sarah Satterlee's hat, planted and tended over several seasons of Dead shows, bloomed at Wavy Gravy's Ice Cream Social — Berkeley's own garden party.

Senate Panel OKs Newspaper Sales Tax

First Amendment arguments were dismissed in the state's attempt to solve fiscal crisis

By Robert B. Gunnison
Chronicle Sacramento Bureau

Sacramento

In the first legislative victory for Governor Wilson, a Senate committee yesterday approved legislation that would raise $344 million toward solving the state's multibillion-dollar fiscal crisis by imposing sales taxes on newspapers, magazines and candy.

The heavily lobbied bill squeaked out of the Revenue and Taxation Committee on a 5-to-3 vote, the exact majority needed to send it to the Appropriations Committee.

Wilson proposed the tax increase as part of his plan to balance the state's budgets in the current and next fiscal years. Wilson contends that the state is $7 billion short of cash, but other estimates push the total as high as $10 billion.

The financial picture got bleaker yesterday with the news from state Controller Gray Davis that California ended the last fiscal year with only a $494 million balance.

"The state's financial picture is bleak," Davis said. "California's challenge is to get its financial act together."

The bill by Senator Waddie Deddeh, R-Bonita, came within a hairbreadth of being defeated after two Democrats and independent Senator Quentin Kopp of San Francisco announced that they would oppose it.

"Kill the bill. Kill it," said a frustrated Deddeh. "But somebody had better come up with a solution for the state. We are fiddling while Rome burns."

The temporary solution came when Senator Rebecca Morgan, R-Los Altos Hills, cast the deciding "aye" vote.

"We are obviously pleased that the Legislature has taken action, and the efforts to balance this budget are moving forward," Wilson's press office said after the vote.

The bill would extend the state and local sales tax of newspapers, magazines and candy — all of which are currently exempt. Certain youth groups, such as the Girl Scouts, would be exempt from paying the tax on their fund-raising cookie sales.

It would raise $344 million during 15 months if the new tax takes effect April 1 as sought by Wilson.

Newspaper Tax Debate

Much of the debate centered on the newspaper tax. Kopp dismissed arguments by the California Newspaper Publishers Association that it would infringe on First Amendment guarantees and would be hard to administer.

He noted that other states easily imposed the tax and the constitutional arguments "border on being arrogant if not patronizing." Kopp said he feared for the financial future of small newspapers, however, and would oppose the measure on that ground.

Senator Ruben Ayala, D-Chino, offered an amendment to remove the newspaper tax even though, he said, the largest paper in his district did not endorse him in his November re-election. "I don't consider a newspaper a luxury," he said. However, the amendment was crushed.

Business Exemptions

The committee also approved a bill, 6 to 2, by Senator Dan Boatwright, D-Concord, that would raise more than $734 million in new taxes by closing exemptions enjoyed by a variety of businesses.

One of the largest breaks is enjoyed by the shipbuilding industry. Currently, sale and lease of commercial watercraft are exempt from sales taxes. Imposing the full tax would raise about $472 million for the state.

Opposing that aspect of the Boatwright bill was National Steel and Ship Building Co. of San Diego, which said the tax would make it less competitive with builders in other states.

It was finally agreed to create a threshold to exempt commercial shipbuilders, but tax smaller ones.

Senator Bill Lockyer, D-San Leandro, said the bills were inadequate to take care of the state's problem. "I've conceded that it's inevitable that we're going to need a general tax increase this year."

But Boatwright countered, "I'm not going to vote for a general tax increase until we close some loopholes."

Controller Davis issued his final official accounting of the state's $55 billion budget for the fiscal year that ended June 30.

The amount left at the end of the year is $51 million less than what Wilson's Finance Department used as a starting point for the proposed budget for 1991-92.

Davis said that last year would have ended with a deficit if the administration of former Governor Deukmejian had not delayed payment of Medi-Cal bills from June to July and canceled state agency contracts in June.